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Attorney Docket No. 59002-8001.US01

**PATENT****IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

IN RE APPLICATION OF: JONATHAN D. COOPER

EXAMINER: HAYES, JOHN W.

APPLICATION NO.: 09/648,102

ART UNIT: 3621

FILED: 08/25/2000

CONFIRMATION NO: 4360

FOR: IMPROVED MONEY TRANSFER SYSTEM AND  
METHOD WITH ADDED SECURITY FEATURES**DECLARATION OF JONATHAN D. COOPER**  
**UNDER 37 CFR 1.131**

I, Jonathan D. Cooper, declare:

1. I am the inventor of the above referenced application.
2. I conceived of my invention prior to April 12, 2000 as evidenced at least in part by the document entitled "Operational Summary 1-800 Wire Cash" attached hereto as Exhibit A. I was diligent in reducing the invention to practice from at least as early as April 12, 2000 until the filing of my patent application on August 25, 2000 through both my efforts to contract with necessary parties to build a working system, and by retaining attorneys to prepare a file the above referenced patent application.
3. My invention is complex in that the secure money transfer described in the specification requires use of banking operations and issuance of ATM cards. Thus, it was impossible for me to simply build a working prototype in my garage. I needed to secure the cooperation of banking and card services institutions (e.g. Visa) in order to make use of those institutions' infrastructure. Moreover, from April to August 2000 my company, JDC Holdings, did not have any employees. The only company resources available for the effort to reduce the invention to practice was my time of which I dedicated approximately one half to the secured money transfer project.
4. To ensure work on reducing my invention to practice would occur on a daily basis, I secured the services of a marketing and financial services consulting company called Entandem. My relationship with Entandem is acknowledged and described in detail in the accompanying declaration of Frances M. Dale. Among other things, Entandem was tasked with identifying and establishing relationships with banking institutions and

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bankcard associations in order to implement my invention.

5. As explained above, from at least as early as April 12, 2000 until at least as late as August 25, 2000, Entandem, my attorneys, and I worked diligently to implement my invention and file my patent application.
6. On or about Wednesday, April 12, 2000, I transmitted the "Operational Summary" to Ms. Fran Dale of Entandem in preparation for a meeting the next week.
7. I then traveled to the Washington D.C. area to met with my attorney, Len Rubin, and Ms. Dale. In the interim, I continued with my implementation efforts on or about April 15, 2000 by attempting to contact representatives at American Express in an attempt to arrange for American Express to provide bankcard services to implement my invention.
8. My meeting with Mr. Rubin and Ms. Dale occurred on Monday April 17, 2000. During the meeting, I explained my invention in detail. My possession of the invention as of April 17, 2000 is evidenced by the "Operational Summary" and the oral explanation I provided to Mr. Rubin and Ms. Dale. This meeting and the content of the discussion are corroborated by the accompanying declaration of Ms. Dale. The "Operational Summary" and the oral explanation is the same as that which I conveyed to the patent attorney who drafted my patent application.
9. In particular at the April 17, 2000 meeting, I described the details of a system and the process carried out by the system for sending money from one person to another. The sender would initiate the transaction by contacting a banking institution via the Internet, telephone or other manner to request the transfer. The sender would provide information such as the amount of the transfer, the identity of the recipient and the recipient's address. This information would be stored in a database for use in the transaction. A card for use at an ATM would then be assigned an authorization code (i.e., a PIN) and sent to the recipient. The PIN would also be provided to the recipient, typically directly by the sender. Optionally, the recipient would call a toll-free telephone number or use some other means to verify receipt of the card to provide sender information and PIN for the card to be activated. The recipient would then go to any participating ATM (i.e., an ATM on the Cirrus, Plus, Visa etc. network) to withdraw the money allocated by the sender using the card and the PIN. I believe the details I provided both orally and in writing in the form of the Operational Summary were sufficient for implementation once

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the necessary banking and card service relationships were secured.

10. Moreover, I believe the systems and methods disclosed in the section of my patent application entitled "DETAILED DESCRIPTION OF THE INVENTION" (paragraphs 46-110) and the related figures are consistent with the detail discussed at the April 17, 2000 meeting.

11. At the April 17, 2000 meeting, we also assigned tasks that would enable the diligent reduction to practice of my invention. In particular, Ms. Dale and Entandem were tasked with continuing to contact banking institutions in order to find a bank willing to provide the banking services and a bankcard services company to provide the ATM card issuance services required for building my system. In particular, Ms. Dale's main task was to land Visa as the card service provider to provide non-branded bankcards. Mr. Rubin was tasked with investigating banking laws to ensure my system did not violate any banking laws. I was tasked with facilitating the fraud prevention requirements of my system, and helping Entandem as needed.

12. I believe subsequent to the April 17, 2000 meeting, in light of an upcoming meeting with Visa, I became aware of the need to file for a US Patent Application. I engaged Mr. Rubin's firm, Powell Goldstein et al., on or before June 9, 2000 to prepare and file the patent application. This date is evidence by the copy of my check register showing a payment to the Powell Goldstein firm and is attached hereto as Exhibit B.

13. I believe that since the technical filed of the invention was outside the expertise of the patent attorneys at the Powell Goldstein firm, the Powell Goldstein firm contracted with an outside patent attorney, Brian Coleman, to prepare and file the patent application. I believe the first draft of the application was prepared on or about July 24. Various additional drafts prepared and exchanged back and forth between Mr. Coleman and me with draft version E being completed on or about Aug 21, 2000. The application was then filed shortly thereafter on Aug 25. Copies of the document properties for these drafts are attached hereto as Exhibit C.

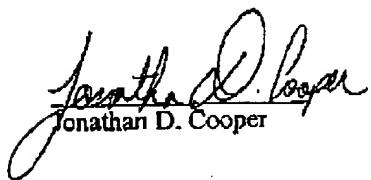
14. At least up until the filing of the patent application on August 25, 2000, Entandem and I diligently worked on implementing my invention and my attorneys diligently worked on the preparation of my patent application. The diligent activities of Entandem are set forth in detail in the declaration of Ms. Dale. The diligent activities of my attorneys are

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described herein and evidenced by some of the documents attached hereto. My diligent activities of my attorneys are described herein and evidenced by some of the documents attached hereto.

15. While not exhaustive, my activities included: calls to Don Leonard on April 24 and 27, 2000 regarding his card issuance expertise; calls to Global Card Risk Management on May 12 and 17, 2000; discussions with Mad Hock media on May 22, 2000 regarding card design issues; work on the use of fixed denominations for the cards on or about June 1, 2000; discussions with Bancomer regarding use of their banking infrastructure on June 2, 2000. These activities are exemplary of my work on implementing my invention from on or before April 12, 2000 through at least August 25, 2000. Additionally, I had numerous discussions with the others working on my project on my behalf including the personnel at Entandem and my attorneys.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true.

  
Jonathan D. Cooper

16 October 2003  
Date

10/16/2003 17:55 6505774508  
mt By: JDC HOLDINGS;

CAPSTONE LAW GROUP  
323-874-3723; APR-12-00 1:39PM;

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Page 1

# JDC HOLDINGS

## *Fax Cover Sheet*

Date: 12 April 2000 Number of Pages: 8

To: Ms. Fran Dale From: Jonathan Cooper

Fax: (703) 421 7641

RE: Operational Summary

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### Comments

3882 Fredonia Dr, Ste B, Los Angeles, CA 90068  
213-840-1700 Fax 323-874-3723

Exhibit A - Cooper Declaration

## Operational Summary 1-800 WIRE CASH

### Market Overview

The Company believes a large market opportunity exists in the wire transfer business. Non-bank consumer money wire transfer services are provided primarily by two global companies, MoneyGram and Western Union Financial Services, Inc. MoneyGram estimated that in 1995 the industry processed 33 million non-bank consumer money wire transfer transactions worldwide, an increase of 29% over 1994, and representing a compounded annual growth rate of 22% since 1991. According to the MoneyGram's financial records, in 1995, they processed 5.4 million of the 33 million non-bank consumer money wire transfer transactions worldwide, representing approximately 16% of such transactions. Western Union accounted for approximately 81% of all such transactions worldwide in 1995. In 1995 MoneyGram stated that the gross revenues generated from non-bank consumer money wire transfers in 1995 were \$800 million on \$9 to \$10 billion in face amount of transferred funds.

MoneyGram claimed their market split as:

|                |     |
|----------------|-----|
| U.S. to U.S.   | 45% |
| U.S. to Mexico | 44% |
| U.S. to Other  | 11% |

Assuming MoneyGram's market split is indicative of the larger market, the national market would be \$360 million in 1995. Projecting that the national industry segment grew only 7% annually for the second half of the decade, a 50% increase, the national industry will have eclipsed \$540 million in revenues and over 22.2 million transactions in 2000.

The national non-bank consumer money wire transfer industry can be best described as a half a billion dollar industry, with rapid growth and high profit margins. However, despite these elements the market is not competitive. Historically it has been difficult for new competitors to enter the market because under current wiring laws companies must get individual approval from 43 states to wire nationally. Many of these states with the support of MoneyGram and Western Union make it very difficult for new entrants to gain state approval. These state licensing hurdles have created large entry barriers and very high profit margins for the existing duopoly. As there is no overriding Federal Legislation, it would take an act of Congress to change and simplify the licensing process. Even if you could gain approval in all 50 states it would be a difficult, costly and time consuming process to build a nationwide agent distribution network for collecting and distributing the wired funds. Western Union claims over 40,000 agents and MoneyGram over 22,000 agents in the United States.

### Business Strategy

The Company has developed a new way to transfer wired funds using automated teller machines(ATM), which bypasses traditional wiring methodologies, state licensing laws and the need for a traditional agent network. Using prepaid single use debit cards, the Company intends to "wire" money to consumers whereby they can withdraw funds from the existing national network of 165,000 ATMs. Under the Company's proposed set-up, the system would be patentable, sidestep existing state wiring laws and be governed under Federal Banking Laws.

The Company intends to unfold an expanding multi-step strategy for providing this service nationwide.

#### Phase I

Initially the Company will "wire" money to individuals by taking credit card information over the phone, allowing the sender to choose a secret four digit personal identification number (PIN) and then the Company will overnight deliver a single-use prepaid ATM debit card to the receiver of the funds.

The service will be provided as follows:

1. Customers will respond to ads promoting the Company's vanity toll free number, e.g. 1-800 Wire Cash, offering consumers the opportunity to wire transfer money from home using their credit cards. Having dialed the number, customers will reach the Company's subcontracted inbound telemarketing and fulfillment firm.
2. The telemarketing operator will obtain the sender's credit card information, the recipient's address for overnighting the disposable debit card and have the sender choose a secret PIN. The fulfillment operation of the company will place the disposable prepaid debit card in a DHL envelope.
3. As midnight approaches a courier will drive to the Cincinnati Airport, DHL's hub, whereupon DHL will sort the envelopes and deliver the cards by the next business day nationwide to the intended recipients.
4. The recipient goes to a phone calls toll free 1-800 Wire Cash to tell the operator he received the card and to activate that specific card according to the sender's instructions. The operator will remind the recipient that it is a single use card and to withdraw all the money in one transaction. Assuming the sender told the recipient the proper secret PIN, the recipient can go to any Automated Teller Machine and withdraw the cash.

#### Affiliated Bank

The Company will partner with an issuing bank to provide prepaid debit cards. The issuing bank will help the Company maintain its card records, and access to the ATM networks for its customers.

#### Courier Service

The Company has negotiated a favorable rate with DHL Worldwide Express - \$6.50 per envelope - to provide overnight delivery of the cards. DHL's overnight service claims 10:30 am delivery on over 50% of its deliveries, but will guarantee noon delivery. The service will not be available for next day delivery on Saturday as DHL doesn't provide Sunday delivery. Using DHL's hub in Cincinnati the Company will be able to take customer requests until almost midnight Eastern Standard Time and still provide the disposable debit cards to the customers by the next morning.

#### Inbound Telemarketing & Fulfillment Firm

The Company has chosen to use an inbound telemarketing and fulfillment firm as a service partner. The Company has identified potential firms in the Cincinnati area to complete this service. In general the service provides the Company with many start-up advantages:

- Turnkey start-up.
- Immediate 24-hour availability.
- Much less expensive approach to provide service in the short and medium term.
- The hiring, training and management burden will be subcontracted.
- The Company can leverage the telemarketing firm's core competency - providing excellent telephone service.
- Most of the necessary computer systems are already in place.
- The call center also provides sophisticated call-in reporting and analysis.

#### Service Details

Each card will have a \$300 maximum balance. Money wired will be in \$100 increments and any amounts wired over \$300 up to \$600 will be accomplished through the shipment of two cards. These steps are done to simplify the process for the user and reinforce the message that these cards are single use only. As most ATM machines have a \$300 withdrawal limit, customers will be able to find and comply with the requirement that all funds are to be withdrawn in one transaction. For example, most 7/Eleven convenience stores, which are a target market for Phase II of the business strategy, have ATMs with \$300 per transaction limits.

With each ATM withdrawal the Company will absorb the related ATM charges. These charges include the typical \$1.50 access fee as well as all bank related charges. These charges are included in the Company's financial projections.

The Company intends to actively market itself as the most convenient method of wiring money. The service will be priced in parity with Western Union's current pricing schedule for credit card transactions completed on the telephone. Note, Western Union does offer consumers the opportunity to wire funds nationally over the telephone using their credit card, but the recipient still must pick up the funds at a Western Union retail location. Western Union does not aggressively promote this service. MoneyGram has abandoned this market but instructed its telephone operators to tell customers it will soon offer this service again.

Focusing on the ease of service and repeating the Company's toll free vanity number, the Company believes it will attract a portion of the estimated 22 million US to US transactions completed in 1999. The Company's marketed advantages are:

- Easy to remember telephone number.
- Easy to call/access service and complete transaction.
- Readily available cash for withdrawal 24 hrs. a day.
- No need for the recipient to go to a seedy location to pick up the funds.
- Over 165,000 ATM vs. 22,000 MoneyGram or 40,000 Western Union locations.

#### Advertising Medium

The primary advertising outlet for the Company will be Yellow Page ads. The Company has obtained anecdotal information implying the successfulness of this medium especially for wire transfer inquiries. Many customers mistakenly still believe that telegram companies wire transfer money, reference this heading in the Yellow Pages, and call to wire money though nothing in their ad makes any reference to this capability. One national telegram company listed in the Yellow Pages nationally receives 40,000 calls/requests a year to wire money.

In the Money Order/Money Transfer heading it will be easy to gain customer attention as only two companies, Western Union and MoneyGram are advertising. The Company intends to buy 1 1/2 inch in-column ads focusing on the larger twenty five markets as a test case. This one year test will cost approximately \$40,000. Eventually, if the test proceeds as planned, the Company will advertise in every major market with an in-column ad. It is expected that the national campaign will yield successful customer responses at about \$3.00 per transaction. (See attached example ad)

The Company name/toll free number, will be prominently displayed on the face of each of the disposable debit cards. The cards will serve as an advertising vehicle with its name reminding the holder of the card of the Company's telephone number and its service (e.g. 1-800 WIRE CASH) The Company will also be incorporated under the vanity toll free number name, which will allow it to be listed on the finding line (the top line in a Yellow Page ad) as 1-800 WIRE CASH.

Vanity telephone numbers emphasize to the consumer a company's focus and business specialty and provide a convenient reminder for accessing the service. For example 1800 FLOWERS has successfully sold on the phrase "our name is our number". Thus if you can get consumers to remember your telephone number, the segment of the population seeking convenience may choose your service.

As the marketing message to be conveyed does not rely on any visual imagery the Company will explore other media such as transit bus and radio advertising.

#### Phase II.

Once the Company has successfully established its service routine, accurately completing transactions daily, and building customer volume the Company will expand its service offering. At this juncture the Company believes it can then successfully negotiate an agreement with a national convenience store chain to carry these single use debit cards. One of the targeted chains include 7/Eleven.

At that point consumers will be able to "wire" money by calling the same central call center, but the recipient of the funds can then go to any of the national convenience store locations to pick up the card and wired monies immediately.

The service under this scenario will be provided in a similar matter.

1. Customers will call the toll free number to wire cash.
2. The inbound telephone marketing firm will set up an account with the sender's chosen PIN number amount to be wired and intended recipient's name. The operator will tell the sender, that a card can still be overnight delivered to the recipient or the receiver of the funds can go to any 7/Eleven location pick up a card and withdraw the funds from the ATM at that 7/Eleven or any ATM. The operator then tells the sender to call the recipient and tell them their chosen secret PIN and to pick up a 1-800 WIRE CASH Card at 7/Eleven.
3. The recipient walks into a 7/Eleven asks the retailer for a 1-800 WIRE CASH Card, goes to the pay phone calls toll free 1800 Wire Cash to tell the operator the sender's name and to activates that specific card according to the sender's instructions. Assuming the individual recorded the secret PIN he/she can withdraw the funds immediately.

The Company's believes that national retail availability of these cards will create a compelling product alternative to Western Union and MoneyGram. Consumers now constrained by the office hours of most Western Union and MoneyGram retail locations will be able to send and receive cash instantly 24 hrs. a day everyday. The retail distribution of the cards will also serve as advertisements for the Company. Wherever the cards are distributed, the Company's phone number will be very visible, creating point of sale advertisement and reinforcing the immediacy of cash availability.

Under this service model, the Company's cost will also be reduced. The overnight delivery charge by DHL of \$6.50 will be eliminated and replaced by approximately \$3.00 in slotting fees, payments to the franchisor and franchisee and the cost to produce and distribute extra dispensable cards. As the recipient has no funds, the retailer will be asked to keep the cards prominently displayed behind the counter and to distribute them to any consumer who request a card, free of charge and we will pay the retailer for keeping a supply of cards on hand. (See financial projections)

The Company believes this market strategy will attract a 1% market share by year five of the business plan. Though this is a small percentage of the overall market, it would represent 280,000 transactions per year, \$11 million in revenue and over 12% operating margins. (See financial projections)

#### Phase III.

Add gift cards e.g. Birthday Cards, Wedding Cards, etc. Internet opportunities explored.

#### Phase IA.

Note, concurrent with Company's efforts to create a national "wire" transfer company, the Company is attempting to create a traditional international wire transfer business by establishing relationships with various foreign national banks in third world countries, especially Mexico. The Company's believes there will be some synergy in its advertising and operations that will be produced from these two businesses. These efforts are being done independent of the national business plan. The Company has begun a dialogue with Bancomer to wire money into Mexico using their 1,300 branches.

As the Company joins forces with various foreign national banks, the Company will be able to include their logos in any ads creating additional credibility for the Company. For example Bancomer is the second largest bank in Mexico, and is instantly recognizable to most Mexican immigrants.

Int By: JDC HOLDINGS;

See separate International Business Plan - 1 888 EFECTIVO.

**Product Layout**

The front of the card will be designed to look similar to US currency to reinforce the image that money is being wired and that it is readily available. The card will have the Company's logo written across the top 1800 \*\*\* \*\*\* and the familiar green engraving of US currency. The layout will be designed to create a look of legitimacy and the Company's focus on the product. It is also believed that this card design will serve to create a sense of cache among the targeted customers.

The reverse of the card will have instructions for the user in both English and Spanish.

**Instructions**

1. If you have any questions after reading the instructions call 1800 \*\*\* \*\*\* 24 hours a day.
2. The card is a single use card, withdraw all the money in one transaction. If the ATM has a lower limit than the wired amount on the card go to another ATM machine.
3. Enter the secret PIN number that the sender told you.
4. Select withdraw cash.
5. Select checking or savings account
6. Withdraw all the money in the account in one transaction, disregard the ATM charge - the fee has been paid for.

Note: You can save the card and the sender will realize a 10% savings next time you receive money.

**Financial Information**

The profit margins that exist are reflective of the lack of the competition in this niche. In the credit card transaction segment, MoneyGram has vacated the market and thus Western Union has no competitor. The Company has no intention to compete on price, but to match their prices. Within this pricing the opportunity exists to make a significant profit in this market segment.

As most ATMs limit the withdrawal amounts per transaction to \$300, all orders over \$300 will include two cards with a maximum wiring amount of \$600. This will also serve to limit the fraud exposure on any transaction.

**Estimated Cost Structure**

| Amount to be Wired                 | \$100   | \$200   | \$300   | \$400   | \$500   | \$600   |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Company's Price (1)                | \$25.00 | \$33.00 | \$40.00 | \$45.00 | \$50.00 | \$55.00 |
| Expenses:                          |         |         |         |         |         |         |
| Visa/Mastercard Merchant Charge 3% | 3.75    | 6.99    | 10.20   | 13.35   | 16.50   | 19.65   |
| Overnight Card Delivery            | 6.50    | 6.50    | 6.50    | 6.50    | 6.50    | 6.50    |
| Average ATM Charge                 | 1.50    | 1.50    | 1.50    | 3.00    | 3.00    | 3.00    |
| Hidden Bank Charges                | 1.00    | 1.00    | 1.00    | 2.00    | 2.00    | 2.00    |
| Per card production costs          | 0.75    | 0.75    | 0.75    | 1.50    | 1.50    | 1.50    |
| Telemarketing/ Fulfillment Costs   | 5.00    | 5.00    | 5.00    | 5.00    | 5.00    | 5.00    |
| Inbound phone costs @ \$0.10/min.  | 0.80    | 0.80    | 0.80    | 0.80    | 0.80    | 0.80    |
| Marketing Costs (yellow page ads)  | 3.00    | 3.00    | 3.00    | 3.00    | 3.00    | 3.00    |
| Estimated Affinity Bank Charge     | 1.50    | 1.50    | 1.50    | 3.00    | 3.00    | 3.00    |
| Paper Costs                        | 0.25    | 0.25    | 0.25    | 0.25    | 0.25    | 0.25    |
| Total                              | \$24.05 | \$27.29 | \$30.50 | \$38.40 | \$41.55 | \$44.70 |
| Operating Profit                   | \$0.95  | \$5.71  | \$9.50  | \$6.60  | \$8.45  | \$10.30 |
| Margin                             | 3.8%    | 17.3%   | 23.75%  | 14.6%   | 16.9%   | 18.7%   |

| Retail Card Pick-up         | <u>3.50</u> | <u>3.50</u> | <u>3.50</u> | <u>3.50</u> | <u>3.50</u> | <u>3.50</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Operating Cost Reduction(2) | \$4.45      | \$9.21      | \$13.00     | \$10.10     | \$11.45     | \$13.80     |
| Operating Profit            |             |             |             |             |             |             |
| Margin                      | 17.8%       | 27.9%       | 34.2%       | 25.8%       | 26.9%       | 27.8%       |

- 1.) Note this price schedule reflects price parity with Western Union's telephone credit card service.
- 2.) The net reduction in costs reflects the elimination of the \$6.50 DHL delivery charge, but \$3.00 of additional cards production costs, slotting fees, and franchisee/franchisor fees.

The operating margins improve over \$100 wired, as the costs per transaction do not increase significantly as the amounts wired increase. The only increase costs are the 3% Visa/Mastercard merchant and on transactions over \$300, additional ATM and bank fees for the second card issued.

#### 1st Year Expenses

Most of the Company's operating expenses once in operation are variable. Using an inbound telemarketing firm and partnering with an issuing bank will limit most charges to a variable basis limiting the Company's ongoing risk. The only fixed costs will be marketing and collateral requirements of the issuing bank to cover liability and fraud from customers potentially stealing credit cards to wire money. The Company intends to buy 1 1/2 inch in-column ads initially in the Southwestern United States focusing on the larger twenty five markets as a test case. This one year test will cost approximately \$40,000. Eventually, if the test proceeds as planned, the Company will advertise in every major market with an in-column ad.

Separate from these financial needs the sponsoring issuing bank may ask the Company to post an insurance bond to reflect the risk from potential fraud from stolen card transactions. The bond will need to cover at least a few months transactions. The bond requirement will be reduced as the Company builds a successful track record.

#### Areas of Concern

- 1) **Fraud.** Because the Company is dealing with wired monies, its greatest risk relates to theft. The Company must put in place systems that deal with both external and internal threats. The Company is examining the most reliable method to reduce stolen credit cards being used in these transactions. Western Union currently provides this service domestically, by requiring senders to complete transactions from either work or home, and then calling the sender at home to reduce the possibility of theft. As this methodology has worked for Western Union the Company intends to copy this approach and seek further protections. In addition, the Company will limit individuals to wiring \$600 per week to limit the Company's exposure per transaction. The Company will also develop systems to check that the subcontracted telemarketing firm and its operators are not stealing from the Company.

The Company's projections include a fraud rate of approximately 1% of all transactions. In addition, it was assumed that all instances of theft cost the Company \$600, the maximum per transaction. The Company can remain profitable with fraud approaching 2% of all transactions, but not at any higher rate. During the initial months of operation the Company will institute a slow trial period to check and establish its security features.

The Company also need to research the cost and practicality of liability insurance to protect the Company from catastrophic theft and coverage from the affiliate banks internal errors.

- 2) **Customer Service Function.** Undoubtedly, the Company and its service providers will make some mistakes. The Company would like to have the telemarketing firm handle the Customer Service component of the operation as well. This department will serve to rectify mistakes regarding errors related to shipment problems, wrong amounts wired, sender telling the recipient the wrong information, etc. The Company needs to further explore this service component.

- 3) New Technologies. Western Union has recently purchased from EDS, the capability to retrofit existing ATMs so that they can now wire monies to ATM machines and nonbank consumers can walk up to any of these machines, push a button enter a secret code and withdraw wired cash. This potential product both reaffirms the Company's market idea and creates the potential for increased competition. Please see attached article.
- 4) Escheatment Laws - The Company has not made any estimates regarding interest income related to uncollected funds. As uncollected funds are credited back to the sender, the interest income is not. This may help induce the potential affiliate banks to participate in the program as they can earn interest income on the uncollected funds.

Transaction Type: PH (Phone), CK(Check), C(Card) ST (Security Transaction)

| Number | Date | Trans Type | Exa Code | Description of Transaction | Payment/Debit (→) | Deposit/Credit (+) | BALANCE |
|--------|------|------------|----------|----------------------------|-------------------|--------------------|---------|
| 1177   | 5/30 |            | ✓        |                            |                   |                    |         |
| 1178   | 6/1  |            | *        |                            |                   |                    |         |
| 1179   | 6/27 |            | *        |                            |                   |                    |         |
| 1180   | 6/27 |            | *        |                            |                   |                    |         |
| 1181   | 6/27 |            | *        |                            |                   |                    |         |
| 1182   | 6/27 |            | *        |                            |                   |                    |         |
| 1183   | 6/27 |            | *        |                            |                   |                    |         |
| 1184   | 6/27 |            | *        |                            |                   |                    |         |
| 1185   | 6/27 |            | *        |                            |                   |                    |         |
| 1186   | 6/27 |            | *        |                            |                   |                    |         |
| 1187   | 6/27 |            | *        |                            |                   |                    |         |
| 1188   | 6/27 |            | *        |                            |                   |                    |         |
| 1189   | 7/22 |            | *        |                            |                   |                    |         |
| 1190   | 7/22 |            | *        |                            |                   |                    |         |
| 1191   | 7/22 |            | *        |                            |                   |                    |         |

Exhibit B  
Cooper Declaration

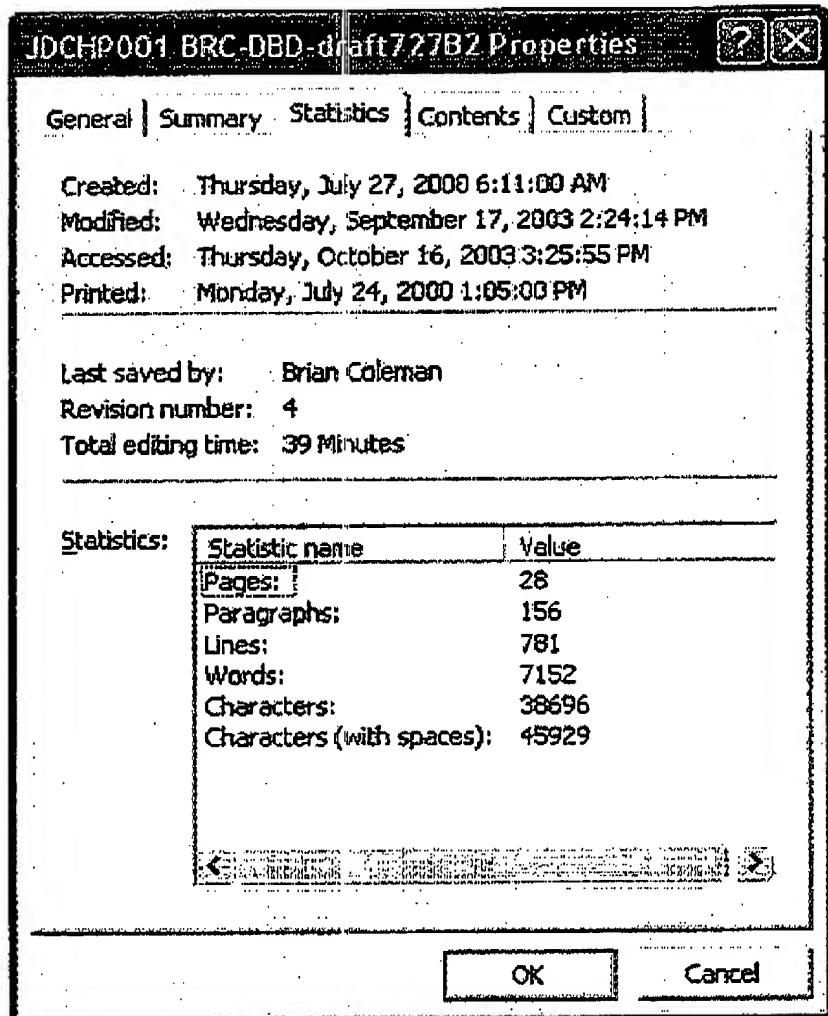
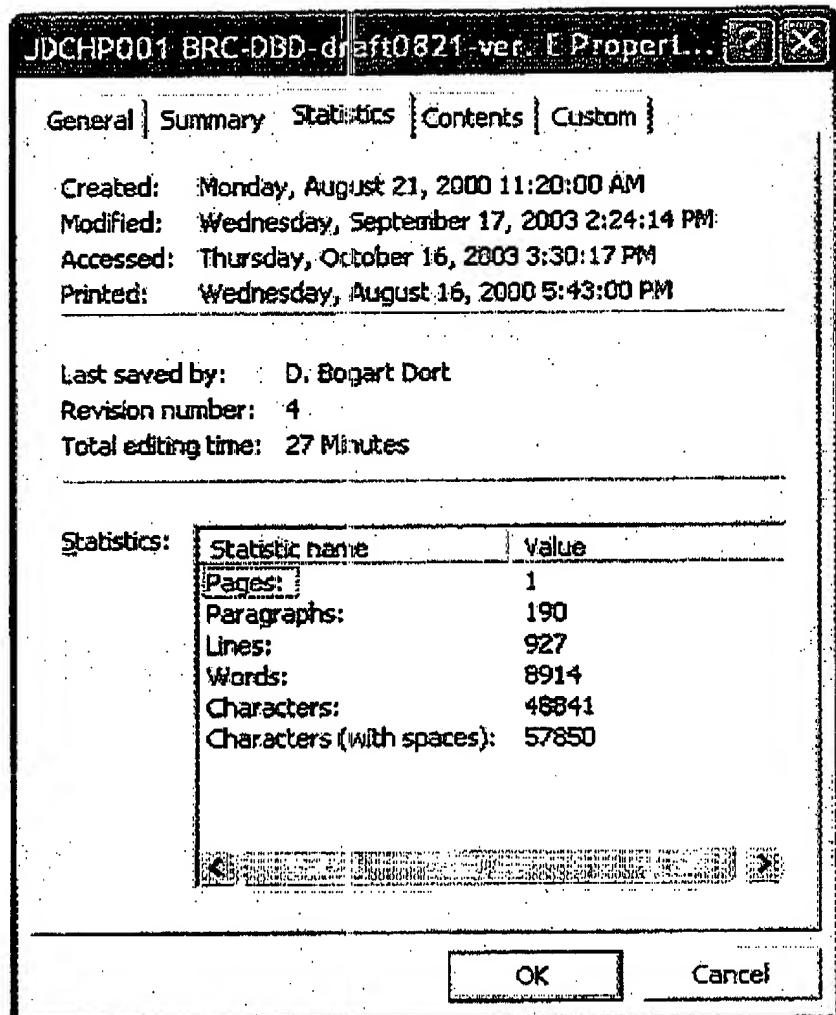


Exhibit C  
Cooper Declaration



Attorney Docket No. JDC-001-US

## PATENT

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF: JONATHAN D. COOPER  
APPLICATION No.: 09/648,102  
FILED: 08/25/2000  
FOR: IMPROVED MONEY TRANSFER SYSTEM AND  
METHOD WITH ADDED SECURITY FEATURES

EXAMINER: HAYES, JOHN W.  
ART UNIT: 3621  
CONFIRMATION NO: 4360

CERTIFICATE OF MAILING

I hereby certify that the Rule 131 Declaration of Jonathan Cooper is being transmitted via facsimile to: Assistant Commissioner for Patents at (703) 305-7687 on October 16, 2003.

DATE: October 16, 2003  
\_\_\_\_\_  
Mitchell Rosenfeld  
Reg. No: 36,258